

Segment sales: don't blame the broker

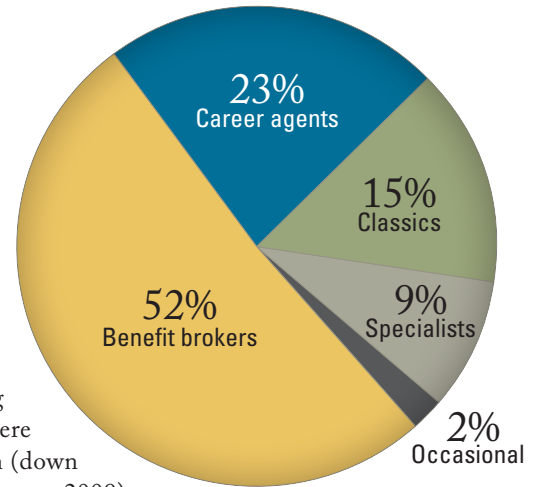


In the past two columns, we've looked at overall voluntary sales for 2010 and sales by product line and platform. In this final column on 2010 sales, we look at results by distributor segment.

As a reminder for those just tuning in, voluntary sales were down for the first time since we've been tracking sales. Sales were \$5.243 billion (down about 3 percent over 2009), according to our annual U.S. Worksite Sales Report.

As we have reported for the last few years, benefit brokers accounted for the largest portion of worksite/voluntary sales—52 percent of all 2010 sales.

2010 sales mix by distribution segment



Despite having the biggest share of sales, the benefit broker segment was down slightly this year at about the same percentage decrease (3 percent) as the overall market. Still benefit brokers accounted for \$2.7 billion in sales. The career agent and classic worksite broker segments were more or less flat as compared to 2009 while the worksite specialists had the only increase; they were up 6.4 percent.

Sales from the occasional producer segment were down the most but this segment is the smallest and includes producers that don't regularly sell voluntary.

In-force premium for voluntary was down slightly for 2010 but not as much as new sales.

The impact of the recession on voluntary sales made for a difficult year. Many producers found fewer employees

to enroll at re-enrollment and more employees are delaying purchases. Employees focused on what they perceived as their core needs—medical, prescription drug, dental and vision—with other products being less important for the time being. However, we are optimistic that as the recovery progresses, the market's historic patterns of buyer behavior will resume.

Sales increases by distribution segment (in millions)		
Segment	2010 Sales	Inc/Dec over 2009
Benefit broker	\$2,730	-3.4%
Career agent	\$1,184	0.6%
Classic worksite broker	\$794	0.1%
Worksite specialist	\$449	6.4%
Occasional producer	\$86	-51.4%

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